

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of)	
)	
Structure and Practices of the Video Relay Service Program)	CG Docket No. 10-51
)	
Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities)	CG Docket No. 03-123
)	

**COMMENTS OF
THE UNITED STATES TELECOM ASSOCIATION**

The United States Telecom Association (USTelecom)¹ is pleased to submit its comments in response to the Federal Communications Commission's (Commission) above-referenced Further Notice of Proposed Rulemaking (*Notice*).² While the Commission in its accompanying Order adopted several positive reforms to the administration of the funding for Video Relay Service (VRS), the *Notice* also proposed additional, unnecessary changes. In particular, the Commission proposes a quarterly carrier contribution factor in place of the current annual assessment. The Commission should reject this proposal since, in addition to being unnecessary, its implementation would create significant administrative costs and burdens that would

¹ USTelecom is the premier trade association representing service providers and suppliers for the telecommunications industry. USTelecom members provide a full array of services, including broadband, voice, data and video over wireline and wireless networks.

² See, Report and Order and Further Notice of Proposed Rulemaking, *Structure and Practices of the Video Relay Service Program; Telecommunications Relay Services and Speech-to-Speech Services for Individuals With Hearing and Speech Disabilities*, 28 FCC Rcd. 8618 (June 10, 2013) (*Notice*).

adversely affect the VRS program. These burdens would be particularly felt by consumers in the form of higher costs and unpredictable fluctuations in their bills.

USTelecom and its members have a long history of supporting communications access for people with disabilities that reaches back to the very foundations of our industry. In addition to participating in the establishment and deployment of telecommunications relay services (TRS), many of our members provide specialized offerings to members of the disability community, including free directory assistance, operator assistance or text- and data-only plans, so that people who are deaf or have hearing loss will not pay for voice communications services they are unable to use.³

I. THE COMMISSION SHOULD ASSESS THE IMPACT OF ITS RECENTLY IMPLEMENTED MEASURES BEFORE INTRODUCING FURTHER REFORMS.

In the Order accompanying its *Notice*, the Commission implemented several substantive measures designed to address problems of waste, fraud, and abuse resident in its administration of the VRS program. Once these measures are fully in place, they will improve the structure, efficiency, and quality of the VRS program, thereby reducing the noted inefficiencies within the program. The Commission should allow sufficient time for its measures to take full effect before considering unnecessary – and potentially harmful – additional measures.

For example, the Commission's decision to develop and implement a central TRS User Registration Database for eligibility and verification of users of VRS will help in weeding out waste, fraud and abuse.⁴ By doing so, it will also help to the continuing availability of the VRS

³ See, Testimony of Walter B. McCormick, Jr., President and CEO, United States Telecom Association before the House Committee on Energy and Commerce Subcommittee on Communications, Technology and the Internet, *The Twenty-First Century Communications and Video Accessibility Act of 2009*, June 10, 2010.

⁴ *Notice*, ¶¶ 62 - 86.

program to those with hearing and/or speech related disabilities. This single measure is an important step towards ensuring the long term viability of the TRS Fund. Much in the same way that the Commission's recent reforms to the Lifeline program have resulted in tangible benefits,⁵ the Commission's VRS database will be an important tool for reducing waste, fraud and abuse, while at the same time increasing efficiency.

Similarly, the Commission's adoption of an independent national outreach program will better educate the general public about VRS offerings.⁶ The pilot national program will offer a broader, more uniform and detailed spectrum of educational information to the general public regarding the VRS program. Importantly, implementation of the Commission's pilot program will have an immediate and tangible impact on the costs of supporting VRS, since its maximum expenditure of \$2 million is far below the \$80 million in similar expenditures reported by providers between 2010 and 2012.⁷

These measures alone will likely have a substantial impact on the Commission's ability to ensure instances of fraud, waste and abuse are significantly curtailed in the administration of VRS. The Commission should monitor the impact of these mechanisms before considering any additional measures to address fraud, waste and abuse in its administration of VRS.

⁵ See e.g., FCC News Release, *FCC Reports: Major Reforms to Lifeline Program on Track to Cut at Least an Additional \$400 Million in Waste, Fraud, and Abuse in 2013; Reforms on Schedule to Save More Than \$2 Billion by End of 2014*, February 12, 2013 (announcing that savings from its comprehensive reform of Lifeline are on track to reach at least an additional \$400 million in 2013, adding to the more than \$214 million saved in 2012 by cutting waste, fraud, and abuse.).

⁶ Notice, ¶¶ 23 – 39.

⁷ *Id.*, ¶ 37.

II. IMPLEMENTATION OF A QUARTERLY CONTRIBUTION FACTOR IS TOO COMPLEX AND WILL IMPOSE UNNECESSARY COSTS ON THE TRS FUND AND ON CONSUMERS.

The Commission should refrain from introducing unnecessary, burdensome and costly procedures that will only serve to increase the costs of fund administration. Quarter-to-quarter variations in the TRS contribution factor will burden contributing carriers and TRS providers but more importantly, the proposed change will adversely affect consumers. The proposed change to quarterly reporting will create additional costs to the Fund while providing no discernible benefits. Moreover, these added costs will ultimately be passed onto consumers. Indeed, while the *Notice* points to the Universal Service Fund's (USF) use of a quarterly contribution factor, comments in the Commission's proceeding regarding the USF contribution methodology expressed widespread support for changing to an annual contribution factor – including from various state public utility commissions.⁸

Consumers in particular will be adversely impacted if the Commission's proposal is adopted. The increased complexity and additional administrative burdens will undoubtedly increase the administrative costs of the Fund – costs that are ultimately passed on to consumers. With the proposed quarterly reporting obligation, consumer bills will fluctuate to an even greater degree on a quarterly basis. Even consumers that have steady month-to-month usage patterns may see significant swings in their billing charges on a quarterly basis. A fluctuating

⁸ See e.g., Comments filed in Further Notice of Proposed Rulemaking, *Universal Service Contribution Methodology*, 27 FCC Rcd 5357, FCC 12-46, WC Docket No. 06-122, GN Docket No. 09-51 (April 30, 2012); CenturyLink Comments, p. 8 (filed July 9, 2012); T-Mobile Comments, p. 11 (filed July 9, 2012); CTIA Comments, pp. 17 – 18 (filed July 9, 2012); see also, Comments of the Public Service Commission of the District of Columbia, p. 6 (stating that the “current quarterly adjustment is administratively burdensome for contributors and confusing for end users,” and that an annual adjustment “would be more administratively efficient.”); Comments of the California Public Utilities Commission, p. 15.

contribution factor can make it difficult for consumers to budget, even over the relatively short term.

The proposed quarterly reporting system would be exceptionally difficult for contributors since they would be required to make billing and other administrative adjustments on a quarterly basis each time the contribution factor changes. On top of that, incumbent LECs would also be required to make accompanying tariff changes every quarter, often with only limited time between the release of the contribution factor public notice and the tariff filing date. Finally, carriers will also have to respond to customer inquiries about the quarterly changes to the amount of their bills. These unnecessary difficulties will be avoided if the Commission maintains its annual adjustment to the contribution factor.

Developing a quarterly contribution factor would require VRS providers to develop and file projected minutes of VRS use for each quarter, which would then be reviewed by the Fund administrator and published on a quarterly basis. This would introduce unnecessary complexity and additional burdens for Commission staff, the Fund Administrator, and USTelecom's members.

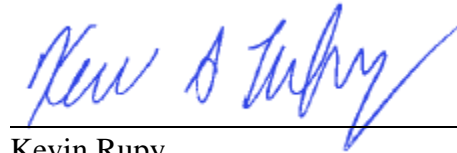
III. CONCLUSION

The Commission should refrain from adopting a quarterly contribution factor. Such a mechanism will result in no discernible benefits, and will only introduce unnecessary, burdensome and costly procedures that will only serve to increase the costs of fund administration and costs to the consumer.

Respectfully submitted,

UNITED STATES TELECOM ASSOCIATION

By:

A handwritten signature in blue ink, appearing to read "Kevin Rupy", is written over a horizontal line.

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